

1  
2  
3  
4  
5  
6 UNITED STATES DISTRICT COURT  
7 WESTERN DISTRICT OF WASHINGTON  
8 AT SEATTLE

9 SEATTLE PACIFIC INDUSTRIES,  
10 INC.,

11 Plaintiff,

12 v.

13 S3 HOLDING LLC, *et al.*,

14 Defendants.

Case No. C18-0224RSL

ORDER DENYING MOTION TO  
AMEND AND TO COMPEL

15 This matter comes before the Court on “Defendants’ Motion for Leave to Amend  
16 Answer and Add Counterclaims and to Compel Discovery.” Dkt. # 35. Having reviewed  
17 the memoranda, declaration, and exhibits submitted by the parties, the Court finds as  
18 follows:

19 **A. Motion to Amend Answer**

20 Pursuant to Fed. R. Civ. P. 16(b)(4), case management deadlines established by the  
21 Court “may be modified only for good cause and with the judge’s consent.” Rule 16 was  
22 amended in 1983 to require scheduling orders that govern pre-trial as well as trial  
23 procedure. The purpose of the change was to improve the efficiency of federal litigation:  
24 leaving the parties to their own devices until shortly before trial was apparently costly and  
25

1 resulted in undue delay. Under the new rule, once a case management schedule is  
2 established, changes will be made only if the movant shows “good cause.”

3  
4 Rule 16(b)’s “good cause” standard primarily considers the diligence of the  
5 party seeking the amendment. The district court may modify the pretrial  
6 schedule “if it cannot reasonably be met with the diligence of the party  
7 seeking the extension.” Fed. R. Civ. P. 16 advisory committee’s notes  
(1983 amendment) . . . .

8 Johnson v. Mammoth Recreations, Inc., 975 F.2d 604, 609 (9th Cir. 1992). See also  
9 Zivkovic v. S. Cal. Edison Co., 302 F3d 1080, 1087-88 (9th Cir. 2002) (where plaintiff  
10 failed to “demonstrate diligence in complying with the dates set by the district court,”  
11 good cause was not shown).<sup>1</sup>

12 The Court sets the deadline for amending pleadings approximately two months  
13 before discovery closes so that the parties have a full and fair opportunity to investigate  
14 all relevant claims and defenses. In this case, the date for asserting new defenses and  
15 counterclaims was October 3, 2018.<sup>2</sup> Defendants assert that they were diligent in seeking  
16 to amend their answer because they first became aware of the facts forming the bases of  
17 their newly-asserted defenses and counterclaims on December 12, 2018, when plaintiff  
18 responded to outstanding discovery requests. Dkt. # 43 at 5. The record does not support  
19 this assertion. In their motion, defendants acknowledged that they had “previously

---

20  
21 <sup>1</sup> The case management order in this case likewise states “[t]hese are firm dates that can  
22 be changed only by order of the Court, not by agreement of counsel or the parties. The Court will  
alter these dates only upon good cause shown . . . .” Dkt. # 21 at 2; Dkt. # 23 at 2.

23 <sup>2</sup> Defendants argue that the “deadline for amending pleadings” set forth in the case  
24 management order was the deadline for amending pleadings only if the amendment were of right  
25 or with agreement of the opposing party. This interpretation arbitrarily limits the language of the  
Court’s order and is rejected.

1 suspected” that plaintiff had never used its mark in connection with footwear (the key fact  
2 underlying the proposed amendment), but nevertheless waited until October 29, 2018, to  
3 propound discovery aimed at testing that suspicion. The deadline for amending pleadings  
4 passed three weeks earlier: the undisputed facts show that defendants were not diligent in  
5 pursuing known theories. In addition, the only thing that happened on December 12,  
6 2018, was that plaintiff objected to the discovery defendants had propounded. Defendants  
7 therefore know no more now than they did when they suspected fraud on the United  
8 States Patent and Trademark Office (“USPTO”). Their suspicion may have deepened, but  
9 it is still nothing more than suspicion. If defendants now have a Rule 11 basis for  
10 asserting the proposed defenses and counterclaims, the same basis existed prior to the  
11 deadline established by the Court.

12 Defendants were not diligent in pursuing their potential defenses and  
13 counterclaims. Having failed to show good cause for an amendment of the case  
14 management deadline, the motion to amend is DENIED.

#### 15 **B. Motion to Compel**

16 Defendants seek an order compelling plaintiff to respond to (a) requests for  
17 admission seeking information regarding its use of the UNIONBAY mark in connection  
18 with footwear during various periods of time (Dkt. # 36-2) and (b) requests for production  
19 seeking “[a]ll documents” related to the promotion, marketing, advertisement, unpaid  
20 media coverage, monthly purchases, monthly and yearly revenues, license agreements,  
21 and use of the UNIONBAY mark on footwear since 1981 (Dkt. # 36-3). Plaintiff objected  
22 to the requests for admission as irrelevant and therefore not proportional to the needs of  
23 the case. It objected to the requests for production as irrelevant, unduly burdensome,<sup>3</sup> and  
24

---

25 <sup>3</sup> Defendants have not addressed plaintiff’s undue burden objections.

1 not proportional to the needs of the case.

2 Defendants argue that the information they seek is relevant (1) to prove the  
3 proposed affirmative defenses and counterclaims, (2) to disprove plaintiff's allegation  
4 that it has continuously used the mark in commerce since 1981, (3) to challenge the  
5 credibility of plaintiff's president because he represented to the USPTO that plaintiff had  
6 used the mark in connection with footwear, and (4) to prove defendants' equitable  
7 estoppel defense. The first and second arguments are summarily rejected. Defendants'  
8 motion to amend has been denied, so any relevance the information may have to the  
9 proposed claims and defenses does not justify compelled production. Information  
10 regarding plaintiff's use of the mark in connection with footwear does not prove or  
11 disprove its use of the mark generally.

12 Defendants offer no case law in support of their impeachment argument. Pursuant  
13 to Rule 26(b)(1), "[p]arties may obtain discovery regarding any nonprivileged matter that  
14 is relevant to any party's claim or defense and proportional to the needs of the case . . . ."  
15 A discovery request must therefore be relevant to a claim or defense. If requests for  
16 admission or production could be justified by nothing more than the hope of catching a  
17 witness in a lie, there would be virtually no limit on the scope of discovery. The fact that  
18 the Court may allow a party to cross-examine a witness regarding known instances of the  
19 witness' conduct that are probative of his character for truthfulness or untruthfulness  
20 under Fed. R. Ev. 608(b) does not change the scope of discovery under Rule 26.

21 With regards to defendants' equitable estoppel defense, defendants assert that  
22 plaintiff falsely claimed ownership rights in the UNIONBAY marks based on false  
23 statements of use in connection with footwear; that defendants relied on these false  
24 representations in entering licensing agreements with plaintiff; and that defendants were  
25

1 prejudiced by their reliance. Dkt. # 35 at 11. The defense, as stated by defendants, is  
2 actually based on fraud, not estoppel. For plaintiff to be estopped from pursuing its  
3 trademark and breach of contract claims, defendants would have to show a prior act or  
4 statement by plaintiff that is inconsistent with its present claims. See Feature Realty, Inc.  
5 v. City of Spokane, 331 F.3d 1082, 1091 n.7 (9th Cir. 2003). In fact, plaintiff's claims are  
6 entirely consistent with its prior claims of use. The information sought is not relevant to  
7 an estoppel defense, and defendants' request to add defenses and counterclaims sounding  
8 in fraud has been denied.

9  
10 For all of the foregoing reasons, defendants' motion to amend its answer and to  
11 compel production (Dkt. # 35) is DENIED.

12 Dated this 4th day of March, 2019.

13  
14 

15  
16 Robert S. Lasnik  
United States District Judge